



Targeting Customer Segments Improves ROI on Retailer's Marketing Spend

**Effective in-store
customer
communications
enables fact-based
decisions**

The Situation

With stores in the Netherlands, Belgium, Luxembourg, France and Germany, the international retailer's 10,000 odd employees are committed to offering customers a personalized and compelling shopping experience. The company prides itself on being a strong brand that sets it apart from its competitors.

As part of its mission to provide value to customers, the retailer constantly announces special offers across all its product lines. In order to make the in-store experience even more engaging, the retailer has deployed digital signage screens across its stores.

During its pilot phase, the retailer placed the signage screens in strategic points across one store, including the restaurant area, behind cash registers and along the aisles. The screens displayed diverse information from menus to advertisements. Though the screens looked appealing, the retailer was unable to measure performance of the signage boards with respect to customer engagement, or to compare effectiveness against more traditional signage tools. Capgemini was commissioned to overcome this challenge.

The Solution

Capgemini worked with the retailer and Intel to integrate the Intel® Audience Impression Metrics Suite (Intel® AIM Suite) into its existing digital signage environment. By using sensors and sophisticated algorithms, the Intel AIM Suite could carry out real-time analytics on the visual characteristics of a viewer. In turn, this helped determine audience demographics and provided additional insights about potential and actual audiences for visual messaging and merchandizing.

The Intel® AIM Suite analyzes viewers by variables like gender and age range, and how long they view a piece of digital content. This provides the retailer with objective and quantitative analysis of messages. This type of analysis helps the retailer identify information for the day or the week such as the most compelling messages or product-demand variation.

Capgemini installed webcams on top of several digital signage screens in the pilot store, which were connected to an Intel® NUC (Intel's ultra compact form-factor PC), powered by Intel® Core™ i3 processors, and ran the Intel AIM Suite. The webcams measure real-time viewer metrics, without saving any content or individually-identifiable details. The anonymous information is then sent, through a secure in-store Wi-Fi connection to the Intel AIM Suite backend, where false positives are filtered. From here, the data is extracted to Capgemini's SAP HANA database for in-depth, on-demand analysis and reporting.

The Result

The data gathered by the Intel AIM Suite gave the retailer new and improved insight into how well each of its digital signage screens was performing. Capgemini helped the retailer analyze the demographics of its customers by breaking down the results based on a number of parameters, including screens, campaign, day of the week and hour of the day.

The retailer could leverage this data to delve into behavioral trends of in-store customers and identify several opportunities to enhance its business. These included:

- Streamlining operations: The in-store restaurant could, for example, adjust its operations to accommodate senior visitors who were found to lunch one hour earlier than other shoppers.
- Enhancing screen and content placement: Some screens were found to be positioned at an inappropriate height or behind an infrequently used cash register, resulting in lesser eyeball traction. Identifying this issue helped the retailer to reposition screens.
- Improving message targeting: Insight into target groups' shopping behaviour in the store, enabled the retailer to structure and target the most appropriate digital content for each of those groups.
- Providing feedback on reach: The retailer could see how many people watch each screen, and for how long. This provides insight into which content is most compelling. Correlating the AIM data with a people counter at the store entrance can determine how many store visitors have seen the screens.

- Providing feedback on message target effectiveness: The retailer can assess how many members of a demographic group watched a particular campaign.
- Providing feedback on a campaign, type of media or length of message: Insights from the Intel AIM Suite enabled the retailer to identify whether a given video was most likely to appeal to adult male watchers who were waiting in line at the take-away food counter.

How the Retailer, Intel and Capgemini Worked Together

Capgemini's global Retail Solutions practice works with a majority of the world's largest retail and consumer products companies. A team of approximately 10,000 consultants and technologists throughout the world helps these companies reap the benefits of industry-specific solutions such as Demand-Driven Supply Chain, All-Channel Experience, Business Information Management and Global ERP Integration.

As a long-time Capgemini client, the retailer has always relied on Capgemini's expertise and insight to help direct and improve strategic use of technology. When the Capgemini Retail Solutions team suggested that the retailer consider implementing the Intel AIM Suite to drive more value from its digital signage investment, it immediately commissioned a pilot. The pilot program began with several collaborative in-store sessions, with the retailer and Capgemini business experts. The retailer's hypotheses about customer behaviour were examined with the focus on which insights provided by the Intel AIM Suite would be most valuable.

Assisted by Intel, the team also reviewed which locations around the store would be most suitable as locations for the cameras and Intel NUCs. The team had to help the retailer gain the maximum value from a small number of devices, taking into account environmental factors such as lighting and power to accommodate new equipment.

Intel and Capgemini Retail Solutions then worked together to set up the new tools and integrate them with other systems, such as the Capgemini SAP HANA backend environment, powered by Intel® Xeon® processors E7 family. One of the retailer's in-house experts was also involved in the installation phase in order to share his knowledge around in-store facilities and automation capabilities. Regular checks were made to ensure the data collected was accurate and correctly processed.

Next Steps

The retailer is now looking at ways of extending the potential of the new tools. For example, a camera and Intel NUC, running the Intel AIM Suite, could be added to other points of engagement in the store, such as mannequins or static posters. This approach to assessing the cost and effectiveness of a variety of communication channels will help the retailer optimize its use of these resources and effectively shape a comprehensive strategy for in-store communication and advertisements.

It is also considering ways to correlate the data gathered through the Intel AIM Suite with other data captured in-store (such as point of sale data, or footfall counters at the store entrance), to enrich its analytics and deepen customer awareness. The customer experience can be further enhanced by using the customer data gathered through the cameras on digital signage units to make real-time changes to the content displayed on the screens. So, for example, if a young female customer is viewing a screen, it would adapt to show her products more relevant to her demographic group. The addition of solutions like Intel® Retail Client Manager (Intel® RCM), which delivers targeted content to every screen, has the potential to drive even further value from the insights derived using the existing technologies.

One of the most important areas for further development is the remote management of all these devices. The retailer hopes to make use of Intel® vPro™ technology in the future to enable its technicians to remotely and securely monitor and control every Intel NUC device without needing to physically visit the store. This will enable them to:

- Update all digital signage screens with new content in almost real-time and on demand, enabling the retailer to take advantage of last-minute opportunities to bring its customers the best deals – for instance, running a promotion on umbrellas on a rainy day.
- Ensure that any downtime due to technical issues is minimized by giving skilled technicians access to a device even when it is powered off or unresponsive, so they can fix the issue quickly.
- Save power and costs by ensuring every device is automatically switched off at the end of each day.
- Keep all devices up to date and secure by carrying out security patches and software updates across every device in every store, overnight.

The potential productivity, customer experience and cost benefits of this remote management model are significant.

The retailer has begun a digital transformation journey in which digital signage, Intel® technologies and Capgemini's Retail Solutions expertise play an integrated and strategic role. This will not only impact the kiosks, point of sale and other interaction points, but will also influence the very structure of the store, directing where and how walkways and product displays should be positioned. By applying the detailed insights that it is now able to gain about its customers to the way in which it communicates with them, the retailer believes it will keep its customers engaged and strengthen its own position in the market.

For more information on this project, please contact:
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With more than 130,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2013 global revenues of EUR 10.1 billion.

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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